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REFERENCE TITLE: educational choice scholarships

State of Arizona
Senate
Forty-sixth Legislature
Second Regular Session
2004

SB 1110

Introduced by
Senators Verschoor, Anderson, Burns, Harper, Martin, Weiers;
Representatives Barnes, Stump; Senators Jarrett, Waring; Representatives
Gray C, Johnson, Quelland

AN ACT

AMENDING TITLE 15, CHAPTER 8, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 1.2; RELATING TO EDUCATIONAL CHOICE SCHOLARSHIPS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 15, chapter 8, Arizona Revised Statutes, is amended
3 by adding article 1.2, to read:

4 ARTICLE 1.2. EDUCATIONAL CHOICE SCHOLARSHIPS

5 15-817. Findings and legislative purpose

6 THE LEGISLATURE FINDS AND DECLARES:

7 1. THERE IS A CRISIS IN ELEMENTARY AND SECONDARY EDUCATION IN THIS
8 STATE. MANY SCHOOLCHILDREN, BUT PARTICULARLY THOSE WHOSE PARENTS ARE POOR,
9 ARE PERFORMING SIGNIFICANTLY BELOW NATIONAL STANDARDS. OTHER CHILDREN ARE
10 DROPPING OUT OF SCHOOL BEFORE COMPLETING THE ORDINARY COURSE OF SECONDARY
11 EDUCATION. A SUBSTANTIAL NUMBER OF YOUNG PEOPLE ARE LEAVING SCHOOL WITHOUT
12 THE BASIC SKILLS AND KNOWLEDGE THAT WILL ENABLE THEM TO FIND AND HOLD A JOB
13 OR OTHERWISE FUNCTION AS PRODUCTIVE CITIZENS.

14 2. THE FREEDOM OF PARENTS TO CHOOSE SCHOOLS FOR THEIR CHILDREN THAT
15 ARE ACCEPTABLE TO THEIR PERSONAL EDUCATIONAL CONVICTIONS IS AN INHERENT AND
16 INALIENABLE PERSONAL RIGHT UNDER THE STATE AND FEDERAL CONSTITUTIONS. THE
17 CURRENT SYSTEM OF SCHOOL FINANCE LIMITS PARENTS' FREEDOM TO SELECT SCHOOLS
18 THAT THEY BELIEVE CAN PROVIDE THEIR CHILDREN WITH A QUALITY EDUCATION.

19 3. ALLOWING PARENTS TO CHOOSE SCHOOLS, PUBLIC AS WELL AS PRIVATE, FOR
20 THEIR CHILDREN WILL PROMOTE A HEALTHY COMPETITION AMONG SCHOOLS AND EMPOWER
21 PARENTS TO INFLUENCE EDUCATIONAL POLICIES AND PROCEDURES, LEADING TO BETTER
22 QUALITY EDUCATION. COMPETITION CAN ALSO LEAD TO LOWER COSTS AS WASTE AND
23 UNNECESSARY EXPENDITURES OF PUBLIC MONIES ARE NO LONGER TOLERATED.

24 4. THE PROVISIONS OF THIS ARTICLE ARE IN THE PUBLIC INTEREST AND FOR
25 THE PUBLIC BENEFIT AND SERVE A SECULAR PUBLIC PURPOSE.

26 15-817.01. Definitions

27 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

28 1. "CUSTODIAN" MEANS A RESIDENT OF THIS STATE WHO IS A PARENT OR THE
29 LEGAL GUARDIAN OF A QUALIFYING PUPIL.

30 2. "QUALIFYING PUPIL" MEANS A STUDENT WHO IS ELIGIBLE TO RECEIVE A
31 SCHOLARSHIP UNDER THIS ARTICLE.

32 3. "SCHOLARSHIP" MEANS A GRANT OF AID MADE UNDER THIS ARTICLE TO A
33 QUALIFYING PUPIL, THROUGH THE QUALIFYING PUPIL'S CUSTODIAN, TO BE USED BY AND
34 FOR THE BENEFIT OF THE PUPIL AS PROVIDED IN THIS ARTICLE.

35 4. "SCHOLARSHIP SCHOOL" MEANS A PRIVATE SCHOOL, WHETHER SECULAR OR
36 SECTARIAN, THAT MAINTAINS ONE OR MORE GRADE LEVELS FROM KINDERGARTEN THROUGH
37 GRADE TWELVE AND THAT ELECTS AND IS ENTITLED TO PARTICIPATE IN AND REDEEM
38 SCHOLARSHIPS PURSUANT TO THIS ARTICLE.

39 15-817.02. Statewide educational choice scholarship program;
40 nature of scholarships

41 A. A STATEWIDE EDUCATIONAL CHOICE SCHOLARSHIP PROGRAM IS ESTABLISHED
42 UNDER WHICH EACH QUALIFYING PUPIL WHO MAKES A TIMELY APPLICATION FOR A
43 SCHOLARSHIP UNDER THIS ARTICLE SHALL RECEIVE A SCHOLARSHIP THAT IS TO BE
44 REDEEMED AT THE SCHOLARSHIP SCHOOL IN WHICH THE PUPIL ENROLLS AND APPLIED

1 TOWARD PAYMENT OF THE TUITION AND FEES PAYABLE FOR THE EDUCATIONAL AND
2 RELATED SERVICES PROVIDED TO THE PUPIL BY THAT SCHOLARSHIP SCHOOL.

3 B. THE SCHOLARSHIPS PROVIDED UNDER THIS ARTICLE CONSTITUTE GRANTS OF
4 AID TO CHILDREN THROUGH THEIR RESPECTIVE CUSTODIANS AND NOT TO THE
5 SCHOLARSHIP SCHOOLS IN WHICH THE CHILDREN ARE ENROLLED. THE SCHOLARSHIPS DO
6 NOT CONSTITUTE TAXABLE INCOME TO THE CUSTODIANS OR THE CHILDREN.

7 C. A CHILD SHALL NOT RECEIVE A SCHOLARSHIP FOR ANY PORTION OF A SCHOOL
8 YEAR IN WHICH THE CHILD IS ENROLLED IN A PRIVATE SCHOOL THAT DOES NOT REDEEM
9 SCHOLARSHIPS UNDER THIS ARTICLE.

10 D. A CUSTODIAN IS FREE TO CHOOSE ANY SCHOLARSHIP SCHOOL FOR ENROLLMENT
11 OF THE QUALIFYING PUPIL, AND THAT CHOICE OR SELECTION IS NOT AND SHALL NOT BE
12 DEEMED TO BE A DECISION OR ACT OF THIS STATE OR ANY OF ITS POLITICAL
13 SUBDIVISIONS.

14 15-817.03. Scholarship eligibility

15 A STUDENT IS ELIGIBLE TO RECEIVE A SCHOLARSHIP UNDER THIS ARTICLE IF,
16 DURING THE SCHOOL YEAR IN WHICH THE SCHOLARSHIP IS TO BE EFFECTIVE, THE
17 STUDENT MEETS ALL OF THE FOLLOWING CONDITIONS:

18 1. RESIDES IN THIS STATE.

19 2. IS UNDER TWENTY-TWO YEARS OF AGE AND HAS NOT GRADUATED FROM HIGH
20 SCHOOL OR OBTAINED A GENERAL EQUIVALENCY DIPLOMA.

21 3. ENROLLS AS A FULL-TIME PUPIL IN A SCHOLARSHIP SCHOOL AT A GRADE
22 LEVEL IN WHICH ALL QUALIFYING PUPILS IN THAT GRADE ARE ENTITLED TO RECEIVE A
23 SCHOLARSHIP PURSUANT TO THIS ARTICLE.

24 15-817.04. Implementation schedule

25 BEGINNING WITH THE 2005-2006 SCHOOL YEAR, EACH QUALIFYING PUPIL IN A
26 KINDERGARTEN PROGRAM AND GRADE TWELVE IN A SCHOLARSHIP SCHOOL IS ENTITLED TO
27 RECEIVE A SCHOLARSHIP. BEGINNING WITH THE 2006-2007 SCHOOL YEAR, EACH
28 QUALIFYING PUPIL IN GRADES ONE AND ELEVEN IS ENTITLED TO RECEIVE A
29 SCHOLARSHIP. BEGINNING WITH THE 2007-2008 SCHOOL YEAR, EACH QUALIFYING PUPIL
30 IN GRADES TWO, NINE AND TEN IS ENTITLED TO RECEIVE A SCHOLARSHIP. BEGINNING
31 WITH THE 2008-2009 SCHOOL YEAR, EACH QUALIFYING PUPIL IN GRADES THREE, SEVEN
32 AND EIGHT IS ENTITLED TO RECEIVE A SCHOLARSHIP. BEGINNING WITH THE 2009-2010
33 SCHOOL YEAR, EACH QUALIFYING PUPIL IN GRADES FOUR, FIVE AND SIX IS ENTITLED
34 TO RECEIVE A SCHOLARSHIP.

35 15-817.05. Participation by scholarship schools

36 A. A PRIVATE SCHOOL, WHETHER SECULAR OR SECTARIAN, THAT MAINTAINS ANY
37 GRADE IN WHICH A QUALIFYING PUPIL ENROLLED IS ENTITLED TO RECEIVE A
38 SCHOLARSHIP PURSUANT TO THIS ARTICLE SHALL HAVE THE OPTION EACH SCHOOL YEAR
39 OF PARTICIPATING OR NOT PARTICIPATING IN THE EDUCATIONAL CHOICE SCHOLARSHIP
40 PROGRAM ESTABLISHED UNDER THIS ARTICLE. IN ORDER TO PARTICIPATE IN THE
41 EDUCATIONAL CHOICE SCHOLARSHIP PROGRAM AND REDEEM SCHOLARSHIPS UNDER THIS
42 ARTICLE FOR ANY SCHOOL YEAR, THE PRIVATE SCHOOL SHALL NOT DISCRIMINATE IN ITS
43 ADMISSIONS POLICY ON THE BASIS OF NATIONAL ORIGIN, RACE, COLOR OR ANY OTHER
44 CRITERIA OR CLASSIFICATION THAT IS NOT VALID UNDER THE FEDERAL CONSTITUTION.

B. A PRIVATE SCHOOL THAT ELECTS AND IS ENTITLED TO REDEEM A SCHOLARSHIP FOR A QUALIFYING PUPIL WHO ENROLLS IN THAT SCHOLARSHIP SCHOOL IS NOT REQUIRED TO ACCEPT THE SCHOLARSHIP AS FULL PAYMENT FOR THE EDUCATIONAL AND RELATED SERVICES THAT THE SCHOOL PROVIDES TO THAT PUPIL AND MAY CHARGE THE PUPIL AN ADDITIONAL AMOUNT REPRESENTING THE BALANCE OF THE TUITION AND FEES THAT REMAIN PAYABLE AFTER CREDITING THE PUPIL WITH THE AMOUNT OF THE SCHOLARSHIP RECEIVED BY THE PUPIL UNDER THIS ARTICLE. A PRIVATE SCHOOL THAT REDEEMS SCHOLARSHIPS UNDER THIS ARTICLE SHALL USE THE SCHOLARSHIP PROCEEDS SOLELY TO PROVIDE EDUCATIONAL GOODS, SERVICES AND FACILITIES FOR ITS PUPILS AND IS NOT ENTITLED TO RECEIVE, FOR REDEEMING A SCHOLARSHIP, ANY AMOUNT IN EXCESS OF THE TUITION AND FEES CUSTOMARILY CHARGED BY THE SCHOOL TO COVER THE COST OF PROVIDING THOSE EDUCATIONAL GOODS, SERVICES AND FACILITIES.

15-817.06. Annual list of scholarship schools; applications for admission and scholarship; certificates of scholarship

A. DURING MARCH, 2005 AND EACH MARCH THEREAFTER, THE STATE BOARD OF EDUCATION SHALL PREPARE AND FURNISH TO EACH SCHOOL DISTRICT, CHARTER SCHOOL AND PRIVATE SCHOOL IN THE STATE A LIST OF ALL SCHOOLS IN THE STATE THAT WILL REDEEM SCHOLARSHIPS UNDER THIS ARTICLE FOR THE SCHOOL YEAR THAT BEGINS IN THAT CALENDAR YEAR. EACH SCHOOL ON THE LIST SHALL BE IDENTIFIED BY NAME AND ADDRESS, BY WHETHER IT IS A PUBLIC OR PRIVATE SCHOOL, BY THE SCHOOL DISTRICT IN WHICH IT IS LOCATED AND BY THE GRADE LEVEL OR GRADE LEVELS FOR WHICH THE SCHOOL WILL REDEEM SCHOLARSHIPS FOR THAT SCHOOL YEAR. EACH PUBLIC SCHOOL SHALL POST A COPY OF THE LIST ON SCHOOL BULLETIN BOARDS AND SHALL MAKE ADDITIONAL COPIES OF THE LIST AVAILABLE TO ALL PUPILS OR TO THE PARENTS OR GUARDIANS OF ALL PUPILS ENROLLED IN THE SCHOOL. EACH PRIVATE SCHOOL IS ENCOURAGED TO PUBLICIZE AND DISTRIBUTE THE LIST AMONG ITS PUPILS AND THEIR PARENTS AND GUARDIANS IN A SIMILAR MANNER.

B. A CUSTODIAN WHO WISHES TO ENROLL A QUALIFYING PUPIL IN A SCHOLARSHIP SCHOOL FOR ANY SCHOOL YEAR ON A SCHOLARSHIP THAT IS TO BE ISSUED UNDER THIS ARTICLE SHALL COMPLETE AND SUBMIT TO THE DEPARTMENT OF EDUCATION, NOT LATER THAN MARCH 30 OF THE CALENDAR YEAR IN WHICH THE SCHOOL YEAR THAT THE SCHOLARSHIP IS TO BE EFFECTIVE BEGINS, A FORM OF APPLICATION THAT CONSTITUTES BOTH AN APPLICATION FOR ADMISSION TO THE SCHOLARSHIP SCHOOL AND AN APPLICATION FOR THE SCHOLARSHIP THAT IS TO BE ISSUED PURSUANT TO THIS ARTICLE. THE FORM OF APPLICATION SHALL BE DEVELOPED AND FURNISHED BY THE STATE BOARD OF EDUCATION TO EACH SCHOOL DISTRICT, CHARTER SCHOOL AND PRIVATE SCHOOL IN THE STATE FOR DISTRIBUTION TO PUPILS OR CUSTODIANS OF PUPILS WHO REQUEST THE FORM. THE FORM SHALL PROVIDE FOR IDENTIFICATION OF A QUALIFYING PUPIL BY NAME, DATE OF BIRTH, ADDRESS, SCHOOL DISTRICT OF RESIDENCE, SCHOOL AND GRADE OF CURRENT ENROLLMENT, SCHOOL TO WHICH APPLICATION FOR ADMISSION UNDER SCHOLARSHIP IS BEING MADE AND GRADE OF SCHOOL IN WHICH THE SCHOLARSHIP APPLIED FOR IS TO BE EFFECTIVE. THE DEPARTMENT OF EDUCATION, NOT LATER THAN APRIL 15 OF EACH CALENDAR YEAR IN WHICH AN APPLICATION UNDER THIS SUBSECTION IS RECEIVED, SHALL TRANSMIT A COPY OF THE FORM TO BOTH THE SCHOOL TO WHICH

THE APPLICATION FOR ADMISSION UNDER SCHOLARSHIP IS MADE AND THE STATE BOARD OF EDUCATION AND SHALL PREPARE AND FORWARD A CERTIFICATE OF SCHOLARSHIP, ISSUED IN THE NAME OF THE CUSTODIAN FOR THE BENEFIT OF THE QUALIFYING PUPIL NAMED IN THE APPLICATION, TO THE CUSTODIAN.

C. ON RECEIPT BY A CUSTODIAN OF A CERTIFICATE OF SCHOLARSHIP AS PROVIDED IN SUBSECTION B, THE CUSTODIAN SHALL PROMPTLY TAKE SUCH STEPS AS ARE NECESSARY TO COMPLETE THE QUALIFYING PUPIL'S ENROLLMENT IN THE SCHOLARSHIP SCHOOL NAMED ON THE CERTIFICATE OF SCHOLARSHIP FOR THE SCHOOL YEAR DURING WHICH THE SCHOLARSHIP IS TO BE EFFECTIVE AND SHALL SURRENDER THE CERTIFICATE TO THAT SCHOLARSHIP SCHOOL. THE SCHOLARSHIP SCHOOL, PROMPTLY ON COMPLETION OF THE QUALIFYING PUPIL'S ENROLLMENT FOR THAT SCHOOL YEAR AND NOT LATER THAN AUGUST 1 OF THE CALENDAR YEAR IN WHICH THAT SCHOOL YEAR BEGINS, SHALL DELIVER THE SURRENDERED CERTIFICATE TO THE DEPARTMENT OF EDUCATION AS EVIDENCE OF THE QUALIFYING PUPIL'S ENROLLMENT IN THE SCHOLARSHIP SCHOOL AND OF THE SCHOLARSHIP SCHOOL'S OBLIGATION TO REDEEM THE QUALIFYING PUPIL'S SCHOLARSHIP AS PROVIDED IN THIS ARTICLE ON DISTRIBUTION OF THE SCHOLARSHIP MONIES TO THE SCHOLARSHIP SCHOOL FOR CREDIT TO THE ACCOUNT OF THE CUSTODIAN OF THE QUALIFYING PUPIL IN ACCORDANCE WITH THIS ARTICLE.

15-817.07. Scholarship value

A SCHOLARSHIP ISSUED UNDER THIS ARTICLE FOR THE BENEFIT OF A QUALIFYING PUPIL SHALL HAVE A BASIC CASH VALUE EQUAL TO EIGHTY PER CENT OF THE AVERAGE STATEWIDE PER PUPIL EXPENDITURE FOR PUBLIC SCHOOLS.

15-817.08. Distribution of scholarship monies; transfer from scholarship school; excess value of scholarship

A. THE MONIES TO PAY A SCHOLARSHIP THAT IS ISSUED FOR THE BENEFIT OF A QUALIFYING PUPIL AND THAT IS TO BE EFFECTIVE DURING THE SCHOOL YEAR WITH RESPECT TO WHICH THOSE MONIES ARE PAID SHALL BE:

1. DISTRIBUTED BY THE DEPARTMENT OF EDUCATION, IMMEDIATELY ON THEIR RECEIPT, TO THE SCHOLARSHIP SCHOOL IN WHICH THE QUALIFYING PUPIL IS ENROLLED.

2. CREDITED BY THE SCHOLARSHIP SCHOOL TO THE ACCOUNT OF THE CUSTODIAN OF THE QUALIFYING PUPIL AND APPLIED TO REDEEM THE SCHOLARSHIP FOR THE BENEFIT OF THE QUALIFYING PUPIL IN PAYMENT OF THE TUITION AND FEES DUE FROM, OR THE COSTS OF PROVIDING EDUCATIONAL AND RELATED SERVICES TO, THAT PUPIL.

B. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, IF A QUALIFYING PUPIL TRANSFERS FROM A SCHOLARSHIP SCHOOL TO ANOTHER SCHOOL DURING THE SCHOOL YEAR IN WHICH A SCHOLARSHIP ISSUED FOR THE BENEFIT OF THAT PUPIL IS EFFECTIVE, THE SCHOLARSHIP SCHOOL FROM WHICH THE PUPIL TRANSFERS SHALL:

1. PROVIDE WRITTEN NOTICE OF THE TRANSFER, WITHIN TEN DAYS AFTER THE TRANSFER OCCURS, TO THE DEPARTMENT OF EDUCATION.

2. RETURN TO THE DEPARTMENT OF EDUCATION, TO BE HELD IN TRUST AND MAINTAINED BY THE DEPARTMENT OF EDUCATION IN THE NAME OF THE TRANSFERRING PUPIL'S CUSTODIAN FOR THE BENEFIT OF THAT PUPIL, ANY SCHOLARSHIP MONIES ALREADY PAID OR DISTRIBUTED TO THE SCHOLARSHIP SCHOOL UNDER SUBSECTION A FOR THE BENEFIT OF THAT PUPIL FOR THAT SCHOOL YEAR AND NOT YET DUE OR EARNED AS

1 TUITION AND FEES OR AS THE COST OF PROVIDING EDUCATIONAL AND RELATED SERVICES
2 FOR THAT PUPIL FOR THAT SCHOOL YEAR.

3 C. IF THE VALUE OF A SCHOLARSHIP THAT IS ISSUED UNDER THIS ARTICLE FOR
4 THE BENEFIT OF A QUALIFYING PUPIL FOR ANY SCHOOL YEAR IS IN EXCESS OF THE
5 TUITION AND FEES DUE FROM, OR THE COST OF PROVIDING EDUCATIONAL AND RELATED
6 SERVICES TO, THE QUALIFYING PUPIL FOR THAT SCHOOL YEAR, THE MONIES
7 REPRESENTING THAT EXCESS VALUE SHALL BE HELD IN TRUST AND MAINTAINED IN THE
8 NAME OF THE CUSTODIAN OF, AND FOR THE BENEFIT OF, THE QUALIFYING PUPIL BY THE
9 DEPARTMENT OF EDUCATION.

10 15-817.09. Education savings account; authorized uses;
11 transfers to statewide educational choice
12 administration fund

13 A. THE DEPARTMENT OF EDUCATION SHALL ESTABLISH AND MAINTAIN AN
14 EDUCATION SAVINGS ACCOUNT IN THE NAME OF THE CUSTODIAN OF A QUALIFYING PUPIL
15 TO RECEIVE MONIES TO BE HELD IN TRUST AND CREDITED TO THAT ACCOUNT FOR THE
16 USE AND BENEFIT OF THE QUALIFYING PUPIL. THE AMOUNTS FROM TIME TO TIME HELD
17 IN THAT ACCOUNT MAY BE USED, AT THE DIRECTION OF THE QUALIFYING PUPIL'S
18 CUSTODIAN, FOR ANY OR ALL OF THE FOLLOWING PURPOSES:

19 1. FOR DISTRIBUTION BY THE DEPARTMENT OF EDUCATION TO THE SCHOLARSHIP
20 SCHOOL IN WHICH THE QUALIFYING PUPIL IS ENROLLED IN PAYMENT OR PARTIAL
21 PAYMENT OF THE AMOUNT BY WHICH THE CHARGES THAT ARE MADE BY THE SCHOLARSHIP
22 SCHOOL FOR THE TUITION AND FEES OF OR THE COST OF PROVIDING EDUCATIONAL AND
23 RELATED SERVICES TO THE QUALIFYING PUPIL EXCEED THE VALUE OF THE SCHOLARSHIP
24 THAT IS REDEEMED BY THE SCHOLARSHIP SCHOOL FOR THE BENEFIT OF THE QUALIFYING
25 PUPIL FOR THE SCHOOL YEAR IN WHICH THE SCHOLARSHIP IS EFFECTIVE.

26 2. FOR DISTRIBUTION BY THE DEPARTMENT OF EDUCATION TO A SCHOLARSHIP
27 SCHOOL INTO WHICH THE QUALIFYING PUPIL TRANSFERS DURING THE COURSE OF A
28 SCHOOL YEAR IN WHICH THE PUPIL WAS PREVIOUSLY ENROLLED IN ANOTHER SCHOOL, IN
29 PAYMENT OR PARTIAL PAYMENT OF THE CHARGES THAT ARE MADE BY THE SCHOLARSHIP
30 SCHOOL INTO WHICH THE PUPIL TRANSFERS FOR THE TUITION AND FEES OF OR THE COST
31 OF PROVIDING EDUCATIONAL AND RELATED SERVICES TO THAT PUPIL FOR THE REMAINDER
32 OF THAT SCHOOL YEAR.

33 3. FOR DISTRIBUTION BY THE DEPARTMENT OF EDUCATION TO AN INSTITUTION
34 OF HIGHER EDUCATION IN PAYMENT OR PARTIAL PAYMENT OF THE TUITION AND FEES
35 CHARGED BY THE INSTITUTION FOR THE INSTRUCTION OF AND USE OF ITS FACILITIES
36 BY THE QUALIFYING PUPIL ON THE PUPIL'S ENROLLMENT AS A FULL-TIME OR PART-TIME
37 STUDENT IN THAT INSTITUTION FOLLOWING THE COMPLETION OF THE PUPIL'S HIGH
38 SCHOOL EDUCATION. THE INSTITUTION OF HIGHER EDUCATION SHALL SUBMIT TO THE
39 DEPARTMENT OF EDUCATION PROOF OF EACH OF THE FOLLOWING:

40 (a) THE PUPIL'S ENROLLMENT AS A FULL-TIME OR PART-TIME STUDENT IN THAT
41 INSTITUTION.

42 (b) THE AMOUNT OF THE TUITION AND FEES CHARGED BY THAT INSTITUTION TO
43 THE PUPIL FOR THAT ENROLLMENT. FOR THE PURPOSES OF THIS PARAGRAPH,
44 "INSTITUTION OF HIGHER EDUCATION" MEANS A PUBLIC OR PRIVATE UNIVERSITY,
45 COLLEGE, COMMUNITY COLLEGE OR JUNIOR COLLEGE, WHETHER SECULAR OR SECTARIAN,

1 THAT IS LOCATED IN THIS OR ANY OTHER STATE, THAT DOES NOT ADVOCATE UNLAWFUL
2 BEHAVIOR OR TEACH OR EXPOUND THE INFERIORITY OF ANY PERSON OR GROUP ON THE
3 BASIS OF RACE, ETHNICITY, COLOR, NATIONAL ORIGIN, RELIGION OR GENDER AND THAT
4 DOES NOT DISCRIMINATE IN ITS ADMISSIONS POLICY ON THE BASIS OF NATIONAL
5 ORIGIN, RACE, COLOR OR ANY OTHER CRITERIA OR CLASSIFICATION THAT IS NOT VALID
6 UNDER THE FEDERAL CONSTITUTION, EXCEPT THAT THE ESTABLISHMENT OF SAME-SEX
7 SCHOOLS OR CLASSROOMS BY A UNIVERSITY, COLLEGE, COMMUNITY COLLEGE OR JUNIOR
8 COLLEGE DOES NOT PRECLUDE THE INCLUSION OF THAT INSTITUTION AS AN INSTITUTION
9 OF HIGHER EDUCATION WITHIN THE MEANING OF THIS SECTION.

10 B. THE STATEWIDE EDUCATIONAL CHOICE SCHOLARSHIP ADMINISTRATION FUND IS
11 ESTABLISHED. THE DEPARTMENT OF EDUCATION SHALL ADMINISTER THE FUND. MONIES
12 IN THE FUND ARE CONTINUOUSLY APPROPRIATED. ON THE FIRST TO OCCUR OF ANY OF
13 THE FOLLOWING EVENTS, ALL MONIES THEN REMAINING IN THE EDUCATION SAVINGS
14 ACCOUNT MAINTAINED BY THE DEPARTMENT OF EDUCATION IN THE NAME OF THE
15 CUSTODIAN OF A QUALIFYING PUPIL SHALL BE TRANSFERRED AND PAID BY THE
16 DEPARTMENT OF EDUCATION TO THE STATE TREASURER FOR DEPOSIT IN THE STATEWIDE
17 EDUCATIONAL CHOICE SCHOLARSHIP ADMINISTRATION FUND:

18 1. THE PERSON FOR WHOSE BENEFIT THE EDUCATION SAVINGS ACCOUNT HAS BEEN
19 MAINTAINED DIES OR FOR ANY OTHER REASON CEASES TO BE A RESIDENT OF THIS
20 STATE.

21 2. THE PERSON FOR WHOSE BENEFIT THE EDUCATION SAVINGS ACCOUNT HAS BEEN
22 MAINTAINED REACHES TWENTY-THREE YEARS OF AGE.

23 C. ON THE FIRST TO OCCUR OF THE EVENTS DESCRIBED IN SUBSECTION B, ALL
24 INTEREST OF THE QUALIFYING PUPIL FOR WHOSE BENEFIT THAT ACCOUNT WAS
25 MAINTAINED, AND ALL INTEREST OF THE CUSTODIAN OF THAT QUALIFYING PUPIL, IN
26 AND TO THAT ACCOUNT AND THE MONIES THAT REMAIN IN THE ACCOUNT AT THE TIME OF
27 THE TRANSFER OF THOSE MONIES FROM THAT ACCOUNT TO THE STATE TREASURER, ARE
28 TERMINATED.

29 D. THE MONIES TRANSFERRED BY THE DEPARTMENT OF EDUCATION TO THE STATE
30 TREASURER FOR DEPOSIT IN THE STATEWIDE EDUCATIONAL CHOICE SCHOLARSHIP
31 ADMINISTRATION FUND SHALL BE CREDITED TO A SPECIAL ACCOUNT THAT THE STATE
32 TREASURER SHALL ESTABLISH AND MAINTAIN IN THAT FUND TO THE CREDIT OF THE
33 DEPARTMENT OF EDUCATION AND, SUBJECT TO APPROPRIATIONS MADE FROM THAT FUND,
34 SHALL BE USED FOR PAYMENT OF THE COSTS AND EXPENSES THAT ARE INCURRED BY THE
35 DEPARTMENT OF EDUCATION IN PERFORMING THE DUTIES AND RESPONSIBILITIES UNDER
36 THIS ARTICLE.

37 15-817.10. Termination of authority to issue bonds, notes and
38 other debt instruments

39 NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE OR ANY OTHER LAW OF
40 THIS STATE, BEGINNING ON THE EFFECTIVE DATE OF THIS ARTICLE, A SCHOOL
41 DISTRICT SHALL NOT ISSUE OR HAVE ANY AUTHORITY TO ISSUE, AND A MUNICIPALITY
42 OR OTHER UNIT OF LOCAL GOVERNMENT OR ANY OTHER POLITICAL SUBDIVISION OF THIS
43 STATE SHALL NOT ISSUE OR HAVE ANY AUTHORITY TO ISSUE, FOR OR ON BEHALF OF ANY
44 SUCH SCHOOL DISTRICT, ANY BONDS, NOTES, TAX ANTICIPATION WARRANTS OR STATE
45 AID ANTICIPATION CERTIFICATES. NOTHING IN THIS SECTION SHALL AFFECT THE

1 VALIDITY OF ANY BONDS, WARRANTS OR NEGOTIABLE INSTRUMENTS ISSUED BY OR ON
2 BEHALF OF A SCHOOL DISTRICT BEFORE THE EFFECTIVE DATE OF THIS ARTICLE AND ALL
3 SUCH BONDS, NOTES OR OTHER EVIDENCES OF INDEBTEDNESS SHALL BE DISCHARGED AS
4 PROVIDED BY THE LAWS UNDER WHICH THOSE BONDS, NOTES OR OTHER EVIDENCES OF
5 INDEBTEDNESS WERE ISSUED OR INCURRED. THE EXTENSION AND COLLECTION OF TAXES
6 PURSUANT TO LEVIES MADE IN ACCORDANCE WITH THE LAWS UNDER WHICH THOSE BONDS,
7 NOTES OR OTHER EVIDENCES OF INDEBTEDNESS WERE ISSUED OR INCURRED SHALL IN NO
8 WAY BE IMPAIRED OR RESTRICTED.

9 15-817.11. Violations; classification

10 A PERSON WHO DOES ANY OF THE FOLLOWING IS GUILTY OF A CLASS 3 FELONY:
11 1. USES OR ATTEMPTS TO USE A SCHOLARSHIP OR CERTIFICATE OF SCHOLARSHIP
12 FOR ANY PURPOSE OTHER THAN THOSE PERMITTED BY THIS ARTICLE.

13 2. WITH INTENT TO DEFRAUD, KNOWINGLY FORGES, ALTERS OR MISREPRESENTS
14 INFORMATION ON A SCHOLARSHIP OR CERTIFICATE OF SCHOLARSHIP OR ON ANY
15 DOCUMENTS SUBMITTED IN APPLICATION FOR A SCHOLARSHIP.

16 3. ISSUES OR DELIVERS ANY SCHOLARSHIP, CERTIFICATE OF SCHOLARSHIP OR
17 OTHER SCHOLARSHIP RELATED DOCUMENT KNOWING IT HAS BEEN FORGED, ALTERED OR
18 BASED ON MISREPRESENTATION.

19 4. POSSESSES, WITH INTENT TO ISSUE OR DELIVER, ANY SCHOLARSHIP,
20 CERTIFICATE OF SCHOLARSHIP OR OTHER SCHOLARSHIP RELATED DOCUMENT KNOWING IT
21 HAS BEEN FORGED, ALTERED OR BASED ON MISREPRESENTATION.

22 15-817.12. Limitation on regulation of private schools

23 A. IN ANY LEGAL PROCEEDING CHALLENGING THE APPLICATION OF ANY
24 PROVISION OF THIS ARTICLE TO A PRIVATE SCHOOL, THIS STATE BEARS THE BURDEN OF
25 ESTABLISHING THAT THE LAW IS NECESSARY AND DOES NOT IMPOSE ANY UNDUE BURDEN
26 ON PRIVATE SCHOOLS.

27 B. NO REGULATION OR ORDINANCE THAT AFFECTS A PRIVATE SCHOOL MAY BE
28 ENACTED ON OR AFTER THE EFFECTIVE DATE OF THIS ARTICLE THAT PERTAINS TO
29 HEALTH, SAFETY OR LAND USE AND THAT IS IMPOSED BY ANY COUNTY, CITY, CITY AND
30 COUNTY, SCHOOL DISTRICT OR OTHER POLITICAL SUBDIVISION OF THE STATE UNLESS IT
31 MEETS ALL OF THE FOLLOWING CRITERIA:

32 1. IT IS ESSENTIAL TO ASSURE THE HEALTH, SAFETY OR EDUCATION OF PUPILS
33 OR, AS TO ANY LAND USE REGULATION, THE GOVERNMENTAL BODY OR OTHER ISSUING OR
34 ENACTING ENTITY HAS A COMPELLING INTEREST IN ISSUING OR ENACTING THE
35 REGULATION OR ORDINANCE.

36 2. IT DOES NOT UNDULY BURDEN OR IMPEDE PRIVATE SCHOOLS OR THE PARENTS
37 OF STUDENTS ATTENDING PRIVATE SCHOOLS.

38 3. IT DOES NOT HARASS, INJURE OR SUPPRESS ANY PRIVATE SCHOOL.

39 C. IN ANY LEGAL PROCEEDING CHALLENGING ANY ORDINANCE OR REGULATION
40 ADOPTED BY A COUNTY, CITY, CITY AND COUNTY, SCHOOL DISTRICT OR OTHER
41 POLITICAL SUBDIVISION OF THIS STATE AS INCONSISTENT WITH THIS SECTION, THE
42 COUNTY, CITY, CITY AND COUNTY, SCHOOL DISTRICT OR OTHER POLITICAL SUBDIVISION
43 OF THIS STATE BEARS THE BURDEN OF ESTABLISHING THAT THE ORDINANCE OR
44 REGULATION IS NECESSARY AND DOES NOT IMPOSE ANY UNDUE BURDEN ON PRIVATE
45 SCHOOLS.

1 D. NO PRIVATE SCHOOL SHALL BE REQUIRED TO ALTER ITS CREED, PRACTICES
2 OR CURRICULUM IN ORDER TO REDEEM SCHOLARSHIPS ISSUED PURSUANT TO THIS ARTICLE
3 OR IN ORDER TO PARTICIPATE AS A SCHOLARSHIP SCHOOL.

4 Sec. 2. Conforming legislation

5 The legislative council staff shall prepare proposed legislation
6 conforming the Arizona Revised Statutes to the provisions of this act for
7 consideration in the forty-seventh legislature, first regular session.